

**GRENADA COUNTY**

**AUDITED FINANCIAL STATEMENTS**  
**AND**  
**SPECIAL REPORTS**

**FOR THE YEAR ENDED SEPTEMBER 30, 2020**

# GRENADA COUNTY

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GRENADA COUNTY

FINANCIAL SECTION

# Windham and Lacey, PLLC

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### INDEPENDENT AUDITORS' REPORT

Members of the Board of Supervisors  
Grenada County, Mississippi

#### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Grenada County, Mississippi, as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the basic financial statements of the county's primary government as listed in the table of contents.

#### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. These financial statements are the responsibility of the county's management.

#### **Auditors' Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the county's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the county's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## **Basis for Adverse Opinion on the Aggregate Discretely Presented Component Units**

The financial statements do not include financial data for the county's legally separate component units. Accounting principles generally accepted in the United States of America require the financial data for these component units to be reported with the financial data of the county's primary government unless the county also issues financial statements for the financial reporting entity that include the financial data for its component units. The county has not issued such reporting entity financial statements. The amount by which this departure would affect the assets, liabilities, net position, revenues and expenses of the aggregate discretely presented component units is not reasonably determinable.

## **Adverse Opinion**

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on the Aggregate Discretely Presented Component Units" paragraph, the financial statements referred to above do not present fairly, the financial position of the aggregate discretely presented component unit of Grenada County, Mississippi, as of September 30, 2020, or the changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Unmodified Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of Grenada County, Mississippi, as of September 30, 2020, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Budgetary Comparison Schedules, the Schedule of the County's Proportionate Share of Net Pension Liability, the Schedule of the County's Contributions and corresponding notes be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Omission of Required Supplementary Information*

Grenada County, Mississippi, has omitted the Management's Discussion and Analysis that accounting principles generally accepted in the United States of America required to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. Our opinion on the basic financial statements is not affected by this missing information.

### *Supplementary and Other Information*

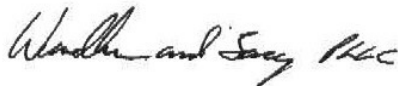
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Grenada County, Mississippi's basic financial statements. The accompanying Reconciliation of Operating Costs of Solid Waste is presented for purposes of additional analysis and is not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The Reconciliation of Operating Costs of Solid Waste has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Reconciliation of Operating Costs of Solid Waste is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The Schedule of Surety Bonds for County Officials has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 20, 2021 on our consideration of Grenada County, Mississippi's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Grenada County, Mississippi's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Grenada County, Mississippi's internal control over financial reporting and compliance.



Windham and Lacey, PLLC  
November 20, 2021

GRENADA COUNTY

FINANCIAL STATEMENTS

GRENADA COUNTY  
Statement of Net Position  
September 30, 2020

Exhibit 1

	Primary Government Governmental Activities
<b>ASSETS</b>	
Cash	\$ 16,722,802
Property tax receivable	9,756,058
Accounts receivable (net of allowance for uncollectibles of \$87,674)	90,606
Fines receivable (net of allowance for uncollectibles of \$701,633)	128,913
Intergovernmental receivables	597,596
Other receivables	86,222
Capital assets:	
Land and construction in progress	1,912,141
Capital assets, net	<u>41,435,303</u>
Total Assets	<u>70,729,641</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred outflows related to pensions	<u>850,377</u>
<b>LIABILITIES</b>	
Claims payable	480,155
Amounts held in custody for others	150,835
Intergovernmental payables	345,458
Accrued interest payable	5,580
Unearned revenue	73,141
Long-term liabilities	
Due within one year:	
Capital debt	439,995
Non-capital debt	145,000
Due in more than one year:	
Capital debt	3,627,628
Non-capital debt	1,810,000
Net pension liability	<u>11,261,230</u>
Total Liabilities	<u>18,339,022</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred inflows related to pensions	295,867
Property tax for future reporting period	<u>9,756,058</u>
Total Deferred Inflows of Resources	<u>10,051,925</u>
<b>NET POSITION</b>	
Net investment in capital assets	39,279,821
Restricted:	
Expendable:	
General government	582,411
Debt service	349,903
Public safety	343,370
Public works	3,390,590
Economic development	6,742,178
Unrestricted	<u>(7,499,202)</u>
Total Net Position	<u>\$ 43,189,071</u>

The notes to the financial statements are an integral part of this statement.



GRENADA COUNTY  
Statement of Activities  
For the Year Ended September 30, 2020

Exhibit 2

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government
					Governmental Activities
Primary Government:					
Governmental Activities:					
General government	\$ 4,259,487	472,925	469,349		(3,317,213)
Public safety	4,391,571	541,406	111,103	42,200	(3,696,862)
Public works	5,120,312	646,823	1,418,660	280,181	(2,774,648)
Health and welfare	160,212		68,995		(91,217)
Culture and recreation	110,000				(110,000)
Education	61,317				(61,317)
Conservation of natural resources	95,974				(95,974)
Economic development and assistance	1,017,218		2,305		(1,014,913)
Interest on long-term debt	84,218				(84,218)
Pension expense	867,903				(867,903)
Total Governmental Activities	\$ <u>16,168,212</u>	<u>1,661,154</u>	<u>2,070,412</u>	<u>322,381</u>	<u>(12,114,265)</u>
General Revenues:					
Property taxes					\$ 9,741,049
Road & bridge privilege taxes					275,811
Grants and contributions not restricted to specific programs					1,407,075
Unrestricted interest income					495,778
Miscellaneous					260,355
Total General Revenues					<u>12,180,068</u>
Changes in Net Position					<u>65,803</u>
Net Position - Beginning, as Previously Reported					43,124,096
Prior Period Adjustment					<u>(828)</u>
Net Position - Beginning, as Restated					<u>43,123,268</u>
Net Position - Ending					<u>\$ 43,189,071</u>

The notes to the financial statements are an integral part of this statement.

GRENADA COUNTY  
Balance Sheet - Governmental Funds  
September 30, 2020

Exhibit 3

	<u>Major Funds</u>			
	<u>General Fund</u>	<u>Economic Development Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>				
Cash	\$ 5,652,184	6,344,278	4,726,340	16,722,802
Property tax receivable	5,786,642		3,969,416	9,756,058
Accounts receivable (net of allowance for uncollectibles, \$87,674)			90,606	90,606
Fines receivable (net of allowance for uncollectibles, \$701,633)	128,913			128,913
Intergovernmental receivables	383,517		214,079	597,596
Other receivables	56,965		29,257	86,222
Due from other funds			155,873	155,873
Total Assets	<u>\$ 12,008,221</u>	<u>6,344,278</u>	<u>9,185,571</u>	<u>27,538,070</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
Liabilities:				
Claims payable	\$ 238,806		241,349	480,155
Intergovernmental payables	340,704		4,754	345,458
Unearned revenue			73,141	73,141
Due to other funds	75,873		80,000	155,873
Amounts held in custody for others	150,835			150,835
Total Liabilities	<u>806,218</u>	<u>0</u>	<u>399,244</u>	<u>1,205,462</u>
Deferred Inflows of Resources:				
Unavailable revenue - property taxes	5,786,642		3,969,416	9,756,058
Unavailable revenue - accounts receivable			90,606	90,606
Unavailable revenue - fines	128,913			128,913
Total Deferred Inflows of Resources	<u>5,915,555</u>	<u>0</u>	<u>4,060,022</u>	<u>9,975,577</u>
Fund Balances:				
Restricted:				
General government			375,970	375,970
Public safety			343,370	343,370
Public works			3,299,984	3,299,984
Economic development			205,816	205,816
Debt service			355,483	355,483
Committed:				
Economic development		6,344,278	192,084	6,536,362
Unassigned	5,286,448		(46,402)	5,240,046
Total Fund Balances	<u>5,286,448</u>	<u>6,344,278</u>	<u>4,726,305</u>	<u>16,357,031</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 12,008,221</u>	<u>6,344,278</u>	<u>9,185,571</u>	<u>27,538,070</u>

The notes to the financial statements are an integral part of this statement.

## GRENADA COUNTY

Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Position  
September 30, 2020Exhibit 3-1

	<u>Amount</u>
Total Fund Balance - Governmental Funds	\$ 16,357,031
Amounts reported for governmental services in the Statement of Net Position (Exhibit 1) are different because:	
Capital assets are used in governmental activities and are not financial resources and, therefore, are not reported in the funds, net of accumulated depreciation of \$61,535,112.	43,347,444
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.	219,519
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	(6,022,623)
Accrued interest payable is not due and payable in the current period and, therefore, is not reported in the funds.	(5,580)
Pension Obligations:	
Pension obligations are not due and payable in the current period and, therefore are not reported in the funds.	
Net pension liability	(11,261,230)
Deferred outflows and inflows of resources related to pension obligations are applicable to future periods and, therefore, are not reported in the funds.	
Deferred outflows of resources related to pension obligations	850,377
Deferred inflows of resources related to pension obligations	<u>(295,867)</u>
Total Net Position - Governmental Activities	\$ <u><u>43,189,071</u></u>

The notes to the financial statements are an integral part of this statement.

## GRENADA COUNTY

Exhibit 4Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds  
For the Year Ended September 30, 2020

	<u>Major Funds</u>			
	<u>General Fund</u>	<u>Economic Development Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>				
Property taxes	\$ 5,743,539		3,997,510	9,741,049
Road and bridge privilege taxes			275,811	275,811
Licenses, commissions and other revenue	253,703		140,751	394,454
Fines and forfeitures	174,810		89,579	264,389
Intergovernmental revenues	1,699,785		2,100,083	3,799,868
Charges for services	450,931		562,579	1,013,510
Interest income	209,563	201,701	84,514	495,778
Miscellaneous revenues	169,081		72,930	242,011
Total Revenues	<u>8,701,412</u>	<u>201,701</u>	<u>7,323,757</u>	<u>16,226,870</u>
<b>EXPENDITURES</b>				
Current:				
General government	4,059,141		510,262	4,569,403
Public safety	3,505,303		890,503	4,395,806
Public works	12,135		5,056,630	5,068,765
Health and welfare	152,270			152,270
Culture and recreation	110,000			110,000
Education	61,317			61,317
Conservation of natural resources	95,974			95,974
Economic development and assistance	101,500	274,000	443,798	819,298
Debt service:				
Principal	17,995		584,517	602,512
Interest	141		84,555	84,696
Total Expenditures	<u>8,115,776</u>	<u>274,000</u>	<u>7,570,265</u>	<u>15,960,041</u>
Excess of Revenues Over (Under) Expenditures	<u>585,636</u>	<u>(72,299)</u>	<u>(246,508)</u>	<u>266,829</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from long-term debt (capital)			251,536	251,536
Proceeds from sale of capital assets	510		27,230	27,740
Transfers in			1,361,743	1,361,743
Transfers out	(493,168)	(256,492)	(612,083)	(1,361,743)
Total Other Financing Sources and Uses	<u>(492,658)</u>	<u>(256,492)</u>	<u>1,028,426</u>	<u>279,276</u>
Net Changes in Fund Balances	92,978	(328,791)	781,918	546,105
Fund Balance - Beginning	<u>5,193,470</u>	<u>6,673,069</u>	<u>3,944,387</u>	<u>15,810,926</u>
Fund Balances - Ending	<u>\$ 5,286,448</u>	<u>6,344,278</u>	<u>4,726,305</u>	<u>16,357,031</u>

The notes to the financial statements are an integral part of this statement.

## GRENADA COUNTY

Exhibit 4-1

Reconciliation of the Statement of Revenues, Expenditures and Changes in  
Fund Balances of Governmental Funds to the Statement of Activities  
For the Year Ended September 30, 2020

	<u>Amount</u>
Net Changes in Fund Balances - Governmental Funds	\$ 546,105
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental Funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. Thus, the change in net position differs from the change in fund balances by the amount that depreciation of \$1,611,703 exceeded capital outlays of \$1,002,601 in the current period.	(609,102)
In the Statement of Activities, only gains and losses from the sale of capital assets are reported, whereas in the Governmental Funds, proceeds from the sale of capital assets increase financial resources and loss from the sale of capital assets decreases financial resources. Thus, the change in net position differs from the change in the fund balances by the amount of losses of \$8,238 and gains of \$17,834 and the proceeds from the sale of \$27,230 in the current period.	(17,634)
Fine revenue recognized on the modified accrual basis in the funds during the current year is reduced because prior year recognition would have been required on the Statement of Activities using the full-accrual basis of accounting.	(12,434)
Solid waste revenue recognized on the modified accrual basis in the funds during the current year is reduced because prior year recognition would have been required on the Statement of Activities using the full-accrual basis of accounting.	1,235
Debt proceeds provide current financial resources to Governmental Funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of debt principal is an expenditure in the Governmental Funds, but the repayment reduces long-term liabilities in the Statement of Net Position. Thus, the change in net position differs from the change in fund balances by the amount that debt repayments of \$602,512 exceeded debt proceeds of \$251,536.	350,976
Items reported in the Statement of Activities relating to the implementation of GASB Statement No. 68 are not reported in the governmental funds. These activities include:	
Recognition of pension expense for the current year	(867,903)
Recognition of contributions made subsequent to the measurement date	165,938
Recognition of contributions made in the fiscal year prior to the measurement date	508,144
Under the modified accrual basis of accounting used in the Governmental Funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. However, in the Statement of Net Position, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. In addition, interest on long-term debt is recognized under the modified accrual basis of accounting when due, rather than as it accrues. Thus, the change in net position differs from the change in fund balances by the following item:	
The amount of decrease in accrued interest payable	<u>478</u>
Change in Net Position of Governmental Activities	\$ <u><u>65,803</u></u>

The notes to the financial statements are an integral part of this statement.

GRENADA COUNTY  
Statement of Fiduciary Net Position  
September 30, 2020

Exhibit 5

	Private-Purpose Trust Funds	Agency Funds
ASSETS		
Cash	\$ 121,965	99,260
Total Assets	121,965	99,260
LIABILITIES		
Other liabilities		89,340
Intergovernmental payables		9,920
Total Liabilities	0	99,260
NET POSITION		
Held in trust for:		
Individuals, organizations and other governments	\$ 121,965	

The notes to the financial statements are an integral part of this statement.

GRENADA COUNTY  
Statement of Changes in Fiduciary Net Position  
For the Year Ended September 30, 2020

Exhibit 6

	<u>Private-Purpose Trust Fund</u>
Net Position - Beginning	\$ 121,965
Net Position - Ending	<u>121,965</u>
Changes in Net Position	\$ <u><u>0</u></u>

The notes to the financial statements are an integral part of this statement.

## GRENADA COUNTY

### Notes to Financial Statements For the Year Ended September 30, 2020

#### (1) Summary of Significant Accounting Policies.

##### A. Financial Reporting Entity.

Grenada County is a political subdivision of the State of Mississippi. The county is governed by an elected five-member Board of Supervisors. Accounting principles generally accepted in the United States of America require Grenada County to present these financial statements on the primary government and its component units which have significant operational or financial relationships with the county.

Management has chosen to omit from these financial statements the following component unit which has a significant operational or financial relationship with the county. Accordingly, the financial statements do not include the data of the county's component unit necessary for reporting in conformity with accounting principles generally accepted in the United States of America.

- Grenada Lake Medical Center
- Greater Grenada Partnership

State law pertaining to county government provides for the independent election of county officials. The following elected and appointed officials are all part of the county legal entity and, therefore, are reported as part of the primary government financial statements:

- Board of Supervisors
- Chancery Clerk
- Circuit Clerk
- Justice Court Clerk
- Purchase Clerk
- Tax Assessor-Collector
- Sheriff

##### B. Basis of Presentation.

The county's basic financial statements consist of government-wide statements, including a Statement of Net Position and a Statement of Activities, fund financial statements, and accompanying note disclosures which provide a detailed level of financial information.

##### Government-wide Financial Statements:

The Statement of Net Position and Statement of Activities display information concerning the county as a whole. The statements include all nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities are generally financed through taxes, intergovernmental revenues and other nonexchange revenues.

The Statement of Net Position presents the financial condition of the governmental activities of the county at year-end. The Government-wide Statement of Activities presents a comparison between direct expenses and program revenues for each function or program of the county's governmental activities. Direct expenses are those that are specifically associated with a service, or department and therefore, are clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Taxes and other revenues not classified as program revenues, are presented as general revenues of the county, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the county.



## GRENADA COUNTY

### Notes to Financial Statements For the Year Ended September 30, 2020

#### Fund Financial Statements:

Fund financial statements of the county are organized into funds, each of which is considered to be separate accounting entities. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, deferred outflows liabilities, deferred inflows, fund balances, revenues and expenditures. Funds are organized into governmental and fiduciary. Major individual Governmental Funds are reported as separate columns in the fund financial statements. Nonmajor funds are aggregated and presented in a single column as Other Governmental Funds.

#### C. Measurement Focus and Basis of Accounting.

The Government-wide and Fiduciary Funds (excluding Agency Funds) financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. Revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used, regardless of when the related cash flows take place. Property taxes are recognized as revenue in the year for which they are levied. Shared revenues are recognized when the provider government recognizes the liability to the county. Grants are recognized as revenues as soon as all eligibility requirements have been satisfied. Agency funds have no measurement focus, but use the accrual basis of accounting.

Governmental financial statements are presented using a current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized in the accounting period when they are both measurable and available to finance operations during the year or to liquidate liabilities existing at the end of the year. Available means collected in the current period or within 60 days after year-end to liquidate liabilities existing at the end of the year. Measurable means knowing or being able to reasonably estimate the amount. Expenditures are recognized in the accounting period when the related fund liabilities are incurred. Debt service expenditures and expenditures related to compensated absences and claims and judgments are recognized only when payment is due. Property taxes, state appropriations and federal awards are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period.

The county reports the following major Governmental Funds:

General Fund - This fund is used to account for and report all financial resources not accounted for and reported in another fund.

Economic Development Fund - This fund is used to account for economic development expenditures of the one-time monies received from Grenada Lake Medical Center.

Additionally, the county reports the following fund types:

#### GOVERNMENTAL FUND TYPES

Special Revenue Funds - These funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects.

Debt Service Funds - These funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

Capital Projects Funds - These funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

## GRENADA COUNTY

### Notes to Financial Statements For the Year Ended September 30, 2020

#### FIDUCIARY FUND TYPES

Agency Funds - These funds account for various taxes, deposits and other monies collected or held by the county, acting in the capacity of an agent, for distribution to other governmental units or designated beneficiaries.

Private-purpose Trust Funds - These funds are used to report all trust arrangements, other than those properly reported elsewhere, under which the principal and income benefit individuals, private organizations or other governments.

#### D. Account Classifications.

The account classifications used in the financial statements conform to the broad classifications recommended in *Governmental Accounting, Auditing and Financial Reporting* as issued in 2012 by the Government Finance Officers Association.

#### E. Deposits and Investments.

State law authorizes the county to invest in interest bearing time certificates of deposit for periods of fourteen days to one year with depositories and in obligations of the U. S. Treasury, State of Mississippi, or any county, municipality or school district of this state. Further, the county may invest in certain repurchase agreements.

Cash includes cash on hand, demand deposits, all certificates of deposit and cash equivalents, which are short-term highly liquid investments that are readily convertible to cash (generally three months or less). Investments in governmental securities are stated at fair value. However, the county did not invest in any governmental securities during the fiscal year.

#### F. Receivables.

Receivables are reported net of allowances for uncollectible accounts, where applicable.

#### G. Interfund Transactions and Balances.

Transactions between funds that are representative of short-term lending/borrowing arrangements and transactions that have not resulted in the actual transfer of cash at the end of the fiscal year are referred to as "due to/from other funds." Interfund receivables and payables between funds within governmental activities are eliminated in the Statement of Net Position.

#### H. Capital Assets.

Capital acquisition and construction are reflected as expenditures in Governmental Fund statements and the related assets are reported as capital assets in the governmental activities column in the government-wide financial statements. All purchased capital assets are stated at historical cost where records are available and at an estimated historical cost where no records exist. Capital assets include significant amounts of infrastructure which have been valued at estimated historical cost. The estimated historical cost was based on replacement cost multiplied by the consumer price index implicit price deflator for the year of acquisition. The extent to which capital assets, other than infrastructure, costs have been estimated and the methods of estimation are not readily available. Donated capital assets are recorded at estimated fair market value at the time of donation. The costs of normal maintenance and repairs that do not add to the value of assets or materially extend their respective lives are not capitalized; however, improvements are capitalized. Interest expenditures are not capitalized on capital assets.

# GRENADA COUNTY

## Notes to Financial Statements For the Year Ended September 30, 2020

Capitalization thresholds (dollar value above which asset acquisitions are added to the capital asset accounts) and estimated useful lives are used to report capital assets in the government-wide statements. Depreciation is calculated on the straight-line basis for all assets, except land. A full year's depreciation expense is taken for all purchases and sales of capital assets during the year. The following schedule details those thresholds and estimated useful lives:

	<u>Capitalization Thresholds</u>	<u>Estimated Useful Life</u>
Land	\$ 0	N/A
Infrastructure	0	20-50 years
Buildings	50,000	40 years
Improvements other than buildings	25,000	20 years
Mobile equipment	5,000	5-10 years
Furniture and equipment	5,000	3-7 years
Leased property under capital leases	*	*

\* Leased property capitalization policy and estimated useful life will correspond with the amounts for the asset classification, as listed above.

### I. Deferred Outflows/Inflows of Resources.

In addition to assets, the Statement of Financial Position will sometimes report a separate section for deferred outflows of resources. This separate financial element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then.

Deferred outflows, related to pensions - This amount represents the county's proportionate share of the deferred outflows of resources reported by the pension plan in which the county participates. See Note 10 for additional details.

In addition to liabilities, the Statement of Financial Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time.

Property tax for future reporting period/unavailable revenue-property taxes - Deferred inflows of resources should be reported when resources associated with imposed nonexchange revenue transactions are received or reported as received before the period for which property taxes are levied.

Unavailable revenue - accounts receivable - When an asset is recorded in the governmental fund financial statements but the revenue is not available, the government should report a deferred inflow of resources until such a time that the revenue becomes available.

Unavailable revenue - fines - When an asset is recorded in the governmental fund financial statements but the revenue is not available, the government should report a deferred inflow of resources until such a time as the revenue becomes available.

Deferred inflows related to pensions - This amount represents the county's proportionate share of the deferred inflows of resources reported by the pension plan in which the county participates. See Note 10 for additional details.

## GRENADA COUNTY

### Notes to Financial Statements For the Year Ended September 30, 2020

#### J. Long-term Liabilities.

Long-term liabilities are the unmatured principal of bonds, loans, notes or other forms of noncurrent or long-term general obligation indebtedness. Long-term liabilities are not limited to liabilities from debt issuances, but may also include liabilities on lease purchase agreements and other commitments.

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities Statement of Net Position. In the fund financial statements, the face amount of the debt issued is reported as other financing sources. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

#### K. Pensions.

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Public Employees' Retirement System of Mississippi (PERS) and additions to/deductions from PERS' fiduciary net position have been determined on the same basis as they are reported by PERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. In the fund financial statements, the face amount of the debt issued is reported as other financing resources. Issuance cost, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

#### L. Equity Classifications.

Government-wide Financial Statements:

Equity is classified as net position and displayed in three components:

Net investment in capital assets - Consist of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes or other borrowings attributable to the acquisition, construction or improvement of these assets.

Restricted net position - Consists of net position with constraints placed on the use either by external groups such as creditors, grantors, contributors, or laws and regulations of other governments; or law through constitutional provisions or enabling legislation.

Unrestricted net position - All other net position not meeting the definition of "restricted" or "net investment in capital assets."

Net Position Flow Assumption:

When an expense is incurred for purposes for which both restricted and unrestricted (committed, assigned or unassigned) resources are available, it is the county's general policy to use restricted resources first. When expenses are incurred for purposes for which unrestricted (committed, assigned and unassigned) resources are available, and amounts in any of these unrestricted classifications could be used, it is the county's general policy to spend committed resources first, followed by assigned amounts, and then unassigned amounts.

Fund Financial Statements:

Fund balances for governmental funds are reported in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent.

## GRENADA COUNTY

### Notes to Financial Statements For the Year Ended September 30, 2020

Government fund balance is classified as nonspendable, restricted, committed, assigned or unassigned. The following are descriptions of fund classifications used by the county:

*Nonspendable fund balance* includes amounts that cannot be spent. This includes amounts that are either not in a spendable form (inventories, prepaid amounts, long-term portion of loans/notes receivable, or property held for resale unless the proceeds from the collection of those receivables or from the sale of those properties are restricted, committed or assigned) or amounts that are legally or contractually required to be maintained intact, such as principal balance of a permanent fund.

*Restricted fund balance* includes amounts that have constraints placed upon the use of the resources either by an external party or imposed by law through a constitutional provision or enabling legislation.

*Committed fund balance* includes amounts that can be used only for specific purposes pursuant to constraints imposed by a formal action of the Board of Supervisors, the county's highest level of decision-making authority. This formal action is an order of the Board of Supervisors as approved in the board minutes.

*Unassigned fund balance* is the residual classification for the General Fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed or assigned to specific purposes within the General Fund. The General Fund should be the only fund that reports a positive unassigned fund balance amount. In other governmental funds if expenditures incurred for specific purposes exceeded the amounts restricted, committed or assigned to those purposes, it may be necessary to report a negative unassigned fund balance.

#### Fund Balance Flow Assumption:

When an expenditure is incurred for purposes for which both restricted and unrestricted (committed, assigned or unassigned) resources are available, it is the county's general policy to use restricted resources first. When expenditures are incurred for which unrestricted (committed, assigned and unassigned) resources are available, and amounts in any of these unrestricted classifications could be used, it is the county's general policy to spend committed resources first, followed by assigned amounts, and then unassigned amounts.

#### M. Property Tax Revenues.

Numerous statutes exist under which the Board of Supervisors may levy property taxes. The selection of authorities is made based on the objectives and responsibilities of the county. Restrictions associated with property tax levies vary with the statutory authority. The amount of increase in certain property taxes is limited by state law. Generally, this restriction provides that these tax levies shall produce no more than 110% of the amount which resulted from the assessments of the previous year.

The Board of Supervisors, each year at a meeting in September, levies property taxes for the ensuing fiscal year which begins on October 1. Real property taxes become a lien on January 1 of the current year, and personal property taxes become a lien on March 1 of the current year. Taxes on both real and personal property, however, are due on or before February 1 of the next succeeding year. Taxes on motor vehicles and mobile homes become a lien and are due in the month that coincides with the month of original purchase.

Accounting principles generally accepted in the United States of America require property taxes to be recognized at the levy date if measurable and available. All property taxes are recognized as revenue in the year for which they are levied. Motor vehicle and mobile home taxes do not meet the measurability and collectability criteria for property tax recognition because the lien and due date cannot be established until the date of original purchase occurs.

## GRENADA COUNTY

### Notes to Financial Statements For the Year Ended September 30, 2020

#### N. Intergovernmental Revenues in Governmental Funds.

Intergovernmental revenues, consisting of grants, entitlements and shared revenues, are usually recorded in Governmental Funds when measurable and available. However, the "available" criterion applies for certain federal grants and shared revenues when the expenditure is made because expenditure is the prime factor for determining eligibility. Similarly, if cost sharing or matching requirements exist, revenue recognition depends on compliance with these requirements.

#### O. Changes in Accounting Standards.

The Governmental Accounting Standards Board issued GASB 95, *Postponement of the Effective Dates of Certain Authoritative Guidance* in May 2020. The objective of this Statement was to provide temporary relief to governments in light of the COVID-19 pandemic by postponing effective dates of certain Statements and Implementation Guides. The effective dates of GASB 83-84, GASB 88-93, and Implementation Guides No. 2017-3, 2018-1, 2019-1 and 2019-2 were postponed one year. The effective dates of GASB 87, *Leases*, and Implementation Guide No. 2019-3, *Leases*, were postponed eighteen months.

#### (2) Prior Period Adjustment.

A summary of significant net position adjustments is as follows:

##### Exhibit 2 - Statement of Activities - Governmental Activities

<u>Explanation</u>	<u>Amount</u>
To correct errors in capital assets	\$ <u>828</u>

#### (3) Deposits.

The carrying amount of the county's total deposits with financial institutions at September 30, 2020, was \$16,944,027 and the bank balance was \$17,231,570. The collateral for public entities' deposits in financial institutions is held in the name of the State Treasurer under a program established by the Mississippi State legislature and is governed by Section 27-105-5, Miss. Code Ann. (1972). Under this program, the entity's funds are protected through a collateral pool administered by the State Treasurer. Financial institutions holding deposits of public funds must pledge securities as collateral against those deposits. In the event of failure of a financial institution, securities pledged by that institution would be liquidated by the State Treasurer to replace the public deposits not covered by the Federal Depositary Insurance Corporation (FDIC).

**Custodial Credit Risk - Deposits.** Custodial credit risk is the risk that in the event of the failure of a financial institution, the county will not be able to recover deposits or collateral securities that are in the possession of an outside party. The county does not have a formal policy for custodial credit risk. In the event of failure of a financial institution, securities pledged by that institution would be liquidated by the State Treasurer to replace the public deposits not covered by the Federal Deposit Insurance Corporation (FDIC). Deposits above FDIC coverage are collateralized by the pledging financial institution's trust department or agent in the name of the Mississippi State Treasurer on behalf of the county.

GRENADA COUNTY

Notes to Financial Statements  
For the Year Ended September 30, 2020

(4) Interfund Transactions and Balances.

The following is a summary of interfund balances at September 30, 2020:

A. Due From/To Other Funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Other Governmental Funds	General Fund	\$ 75,873
Other Governmental Funds	Other Governmental Funds	<u>80,000</u>
Total		<u>\$ 155,873</u>

The receivables represent tax revenue collected but not settled until October, 2020, and monies to cover operating cost. All interfund balances are expected to be repaid within one year from the date of the financial transaction.

B. Transfers In/Out:

<u>Transfer In</u>	<u>Transfer Out</u>	<u>Amount</u>
Other Governmental Funds	General Fund	\$ 493,168
Other Governmental Funds	Economic Development Fund	256,492
Other Governmental Funds	Other Governmental Funds	<u>612,083</u>
Total		<u>\$ 1,361,743</u>

The principal purpose of the interfund transfers was to provide funds for county operations, to distribute escrow funds, and to supply matching grant funds. All interfund transfers were routine and consistent with the activities of the fund making the transfer.

(5) Intergovernmental receivables at September 30, 2020, consisted of the following:

<u>Description</u>	<u>Amount</u>
Governmental Activities:	
Legislative tag credit	\$ 117,919
Disaster grants - public assistance	308,988
Community facilities grant	42,200
Reimbursement for housing prisoners	18,908
Reimbursement for State Aid Road	921
Welfare reimbursement	5,738
Waste tire grant	3,906
Truck & bus privilege tax	2,787
Victim's assistance	2,684
Drug Court	15,723
Youth Court	2,181
Patrolling Grenada Lake	11,142

(Continued)

GRENADA COUNTY

Notes to Financial Statements  
For the Year Ended September 30, 2020

Description	Amount
Overweight fines	1,770
Timber severance tax	598
Petroleum tax	43,295
Overload ad valorem	<u>18,836</u>
Total Governmental Activities	\$ <u><u>597,596</u></u>

(6) Capital Assets.

The following is a summary of capital assets activity for the year ended September 30, 2020:

Governmental Activities:

	Balance Oct. 1, 2019	Additions	Deletions	Adjustments *	Balance Sept. 30, 2020
<u>Non-depreciable capital assets:</u>					
Land	\$ 1,395,945				1,395,945
Construction in progress	<u>516,196</u>				<u>516,196</u>
Total non-depreciable capital assets	<u>1,912,141</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,912,141</u>
<u>Depreciable capital assets:</u>					
Infrastructure	65,489,034				65,489,034
Buildings	23,157,433				23,157,433
Improvements other than buildings	3,935,797				3,935,797
Mobile equipment	7,325,737	626,146	159,254	293,056	8,085,685
Furniture and equipment	1,018,416	13,319	17,115		1,014,620
Leased property under capital leases	<u>1,217,766</u>	<u>363,136</u>		<u>(293,056)</u>	<u>1,287,846</u>
Total depreciable capital assets	<u>102,144,183</u>	<u>1,002,601</u>	<u>176,369</u>	<u>0</u>	<u>102,970,415</u>
<u>Less accumulated depreciation for:</u>					
Infrastructure	42,089,328	490,752			42,580,080
Buildings	10,646,600	390,953			11,037,553
Improvements other than buildings	147,780	147,780			295,560
Mobile equipment	5,926,617	291,652	143,331	263,750	6,338,688
Furniture and equipment	638,053	69,374	15,404	828	692,851
Leased property under capital leases	<u>632,938</u>	<u>221,192</u>		<u>(263,750)</u>	<u>590,380</u>
Total accumulated depreciation	<u>60,081,316</u>	<u>1,611,703</u>	<u>158,735</u>	<u>828</u>	<u>61,535,112</u>
Total depreciable capital assets, net	<u>42,062,867</u>	<u>(609,102)</u>	<u>17,634</u>	<u>(828)</u>	<u>41,435,303</u>
Governmental activities capital assets, net	\$ <u><u>43,975,008</u></u>	<u><u>(609,102)</u></u>	<u><u>17,634</u></u>	<u><u>(828)</u></u>	<u><u>43,347,444</u></u>

\* Adjustments are to transfer paid out capital leases to their proper classification and prior year error correction.



# GRENADA COUNTY

## Notes to Financial Statements For the Year Ended September 30, 2020

Depreciation expense was charged to the following functions:

	<u>Amount</u>
Governmental Activities:	
General government	\$ 109,059
Public safety	278,633
Public works	1,018,149
Health and welfare	7,942
Economic development	<u>197,920</u>
Total Governmental Activities depreciation expense	<u>\$ 1,611,703</u>

(7) Claims and Judgments.

Risk Financing.

The county finances its exposure to risk of loss related to workers' compensation for injuries to its employees through the Mississippi Public Entity Workers' Compensation Trust, a public entity risk pool. The county pays premiums to the pool for its workers' compensation insurance coverage, and the participation agreements provide that the pool will be self-sustaining through member premiums. The retention for the pool is \$1,000,000 for each accident and completely covers statutory limits set by the Workers' Compensation Commission. Risk of loss is remote for claims exceeding the pool's retention liability. However, the pool also has catastrophic reinsurance coverage for statutory limits above the pool's retention, provided by Safety National Casualty Corporation, effective from January 1, 2020, to January 1, 2021. The pool may make an overall supplemental assessment or declare a refund depending on the loss experience of all the entities it insures.

(8) Capital Leases.

As Lessee:

The county is obligated for the following capital assets acquired through capital leases as of September 30, 2020:

<u>Classes of Property</u>	<u>Governmental Activities</u>
Mobile equipment	\$ 1,287,846
Less: Accumulated depreciation	<u>(590,380)</u>
Leased Property Under Capital Leases	<u>\$ 697,466</u>

The following is a schedule by years of the total payments due as of September 30, 2020:

<u>Year Ending September 30:</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2021	\$ 180,105	13,553
2022	145,153	8,944
2023	116,319	4,706
2024	61,518	1,538
2025	<u>34,356</u>	<u>330</u>
Total	<u>\$ 537,451</u>	<u>29,071</u>

GRENADA COUNTY

Notes to Financial Statements  
For the Year Ended September 30, 2020

(9) Long-term Debt.

Debt outstanding as of September 30, 2020, consisted of the following:

<u>Description and Purpose</u>	<u>Amount Outstanding</u>	<u>Interest Rate</u>	<u>Maturity Date</u>
Governmental Activities:			
A. General Obligation Bonds:			
Holmes Community College general obligation bonds 2011	\$ <u>1,955,000</u>	3.10/4.40%	04/31
B. Capital Leases:			
Excavator	\$ 4,127	2.01%	12/20
2016 Ford F750 dump truck	10,647	1.94%	06/21
2016 Ford F750 dump truck	10,647	1.94%	06/21
Kubota tractor & boom mower	18,154	1.98%	12/21
John Deere tractor	14,922	2.51%	09/22
Caterpillar backhoe	29,109	2.44%	11/22
John Deere backhoe	25,877	2.44%	12/22
John Deere tractor and mower	53,535	4.04%	02/24
Excavator	134,447	3.92%	01/24
2019 Ford F150	28,013	3.24%	12/23
John Deere tractor and flex wing	50,431	2.41%	07/25
Caterpillar D5 dozer	96,234	2.41%	07/25
JD mini excavator	<u>61,308</u>	2.41%	07/25
Total Capital Leases	\$ <u>537,451</u>		
C. Other Loans:			
Freight Rail revolving loan	\$ <u>3,530,172</u>	0.00%	09/32

# GRENADA COUNTY

## Notes to Financial Statements For the Year Ended September 30, 2020

Annual debt service requirements to maturity for the following debt reported in the Statement of Net Position are as follows:

### Governmental Activities:

<u>Year Ending September 30:</u>	<u>General Obligation Bonds</u>		<u>Other Loans</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2021	\$ 145,000	67,565	259,890	
2022	150,000	62,925	259,890	
2023	155,000	58,275	259,890	
2024	160,000	53,470	259,890	
2025	170,000	48,350	259,890	
2026-2030	960,000	147,963	1,299,450	
2031-2035	215,000	7,955	931,272	
Total	\$ <u>1,955,000</u>	<u>446,503</u>	<u>3,530,172</u>	<u>0</u>

Legal Debt Margin - The amount of debt, excluding specific exempted debt, that can be incurred by the county is limited by state statute. Total outstanding debt during a year can be no greater than 15% of assessed value of the taxable property within the county, according to the then last completed assessment for taxation. However, the limitation is increased to 20% whenever a county issues bonds to repair or replace washed out or collapsed bridges on the public roads of the county. As of September 30, 2020, the amount of outstanding debt was equal to 0.93% of the latest property assessments.

The following is a summary of changes in long-term liabilities and obligations for the year ended September 30, 2020:

	<u>Balance</u>			<u>Balance</u>	<u>Amount due</u>
	<u>Oct. 1, 2019</u>	<u>Additions</u>	<u>Reductions</u>	<u>Sept. 30, 2020</u>	<u>within</u>
					<u>one year</u>
Governmental Activities:					
General obligation bonds	\$ 2,090,000		135,000	1,955,000	145,000
Capital leases	493,537	251,536	207,622	537,451	180,105
Other loans	3,790,062		259,890	3,530,172	259,890
Total	\$ <u>6,373,599</u>	<u>251,536</u>	<u>602,512</u>	<u>6,022,623</u>	<u>584,995</u>

### (10) Defined Benefit Pension Plan.

#### *General Information about the Pension Plan.*

Plan Description. Grenada County, Mississippi, is a member of the Public Employees' Retirement System of Mississippi (PERS), a cost sharing, multiple-employer, defined benefit pension plan. PERS provides retirement and disability benefits, annual cost-of-living adjustments and death benefits to plan members and beneficiaries. Plan provisions and the Board of Trustees' authority to determine contribution rates are established by Miss. Code Ann., Section 25-11-1 et seq., (1972, as amended), and may be amended only by the State of Mississippi Legislature. PERS issues a publicly available financial report that includes financial statements and required supplementary information. That information may be obtained by writing to Public Employees' Retirement System, PERS Building, 429 Mississippi Street, Jackson, MS 39201-1005 or by calling 1-800-444-PERS.

## GRENADA COUNTY

### Notes to Financial Statements For the Year Ended September 30, 2020

**Benefits Provided.** Membership in PERS is a condition of employment granted upon hiring for qualifying employees and officials of the State of Mississippi, state universities, community and junior colleges, and teachers and employees of the public school districts. For those persons employed by political subdivisions and instrumentalities of the State of Mississippi, membership is contingent upon approval of the entity's participation in PERS by the PERS' Board of Trustees. If approved, membership for the entity's employees is a condition of employment and eligibility is granted to those who qualify upon hiring. Participating members who are vested and retire at or after age 60 or those who retire regardless of age with at least 30 years of creditable service (25 years of creditable service for employees who became members of PERS before July 1, 2011) are entitled, upon application, to an annual retirement allowance payable monthly for life in an amount equal to 2.0 percent of their average compensation for each year of creditable service up to and including 30 years (25 years for those who became members of PERS before July 1, 2011), plus 2.5 percent for each additional year of creditable service with an actuarial reduction in the benefit for each year of creditable service below 30 years or the number of years in age that the member is below 65, whichever is less. Average compensation is the average of the employee's earnings during the four highest compensated years of creditable service. Benefits vest upon completion of eight years of membership service (four years of membership service for those who became members of PERS before July 1, 2007). PERS also provides certain death and disability benefits. A Cost-of-Living Adjustment (COLA) payment is made to eligible retirees and beneficiaries. The COLA is equal to 3.0 percent of the annual retirement allowance for each full fiscal year of retirement up to the year in which the retired member reaches age 60 (55 for those who became members of PERS before July 1, 2011), with 3.0 percent compounded for each fiscal year thereafter. Plan provisions are established and may be amended only by the State of Mississippi Legislature.

**Contributions.** At September 30, 2020, PERS members were required to contribute 9% of their annual covered salary, and the county is required to contribute at an actuarially determined rate. The employer's share at September 30, 2020 was 17.40% of annual covered payroll. The contribution requirements of PERS members and employers are established and may be amended only by the State of Mississippi Legislature. The county's contributions (employer share only) to PERS for the years ended September 30, 2020, 2019 and 2018 were \$674,082, \$611,580, and \$581,485, respectively, equal to the required contribution for each year.

#### *Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions*

At September 30, 2020, the county reported a liability of \$11,261,230 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The county's proportion of the net pension liability was based on a projection of the county's long-term share of contribution to the pension plan relative to projected contributions of all participating entities, actuarially determined. The county's proportionate share used to calculate the September 30, 2020 net pension liability was .058171 percent, which was based on a measurement date of June 30, 2020. This was an increase of .000403 percent from its proportionate share used to calculate the September 30, 2019 net pension liability, which was based on a measurement date of June 30, 2019.

# GRENADA COUNTY

## Notes to Financial Statements For the Year Ended September 30, 2020

For the year ended September 30, 2020, the county recognized pension expense of \$867,903. At September 30, 2020, the county reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 97,703	
Net difference between projected and actual earnings on pension plan investments	441,294	
Changes of assumptions	62,559	
Changes in the county's proportion and differences between the county's contributions and proportionate share of contributions	82,883	295,867
County contributions subsequent to the measurement date	<u>165,938</u>	
Total	<u>\$ 850,377</u>	<u>295,867</u>

\$165,938 reported as deferred outflows of resources related to pension resulting from county contributions subsequent to the measurement date will be recognized as a reduction to the net pension liability in the year ended September 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending September 30:</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
2021	\$ 56,457	295,867
2022	248,532	
2023	230,397	
2024	<u>149,053</u>	
Total	<u>\$ 684,439</u>	<u>295,867</u>

Actuarial Assumptions. The total pension liability as of June 30, 2020 was determined by an actuarial valuation prepared as of June 30, 2019, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75 percent
Salary increases	3.00 - 18.25 percent, including inflation
Investment rate of return	7.75 percent, net of pension plan investment expense, including inflation

Mortality rates were based on the PubS.H-2010(B) Retiree Table with the following adjustments: For males, 112% of male rates from ages 18 to 75 scaled down to 105% for ages 80 to 119. For females, 85% of the female rates from ages 18 to 65 scaled up to 102% for ages 75 to 119. Mortality rates will be projected generationally using the MP-2018 projection scale to account for future improvements in life expectancy.

# GRENADA COUNTY

## Notes to Financial Statements For the Year Ended September 30, 2020

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the four-year period from July 1, 2014 to June 30, 2018. The experience report is dated April 2, 2019.

The long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best estimated future real rates of return (expected nominal returns, net of pension plan investments expense and the assumed rate of inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The most recent target asset allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Domestic Equity	27.00 %	4.90 %
International Equity	22.00 %	4.75 %
Global Equity	12.00 %	5.00 %
Fixed Income	20.00 %	0.50 %
Real Estate	10.00 %	4.00 %
Private Equity	8.00 %	6.25 %
Cash	1.00 %	0.00 %
 Total	 <u>100.00 %</u>	

Discount Rate. The discount rate used to measure the total pension liability was 7.75 percent. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate (9.00%) and that employer contributions will be made at the current employer contribution rate (17.40%). Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity to the County's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate.

The following table presents the county's proportionate share of the net pension liability calculated using the discount rate of 7.75 percent, as well as what the county's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.75 percent) or 1-percentage-point higher (8.75 percent) than the current rate:

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
County's proportionate share of the net pension liability	\$ 14,576,278	\$ 11,261,230	\$ 8,524,983

Pension Plan Fiduciary Net Position. Detailed information about the pension plan's fiduciary net position is available in the separately issued PERS Comprehensive Annual Financial Report publicly available at [www.pers.ms.gov](http://www.pers.ms.gov).

# GRENADA COUNTY

## Notes to Financial Statements For the Year Ended September 30, 2020

### (11) Deficit Fund Balances of Individual Funds.

The following fund reported a deficit in fund balance at September 30, 2020:

<u>Fund</u>	<u>Deficit Amount</u>
District 1 Road Fund	\$ 46,402

### (12) Contingencies.

Federal Grants - The county has received federal grants for specific purposes that are subject to audit by the grantor agencies. Entitlements to these resources are generally conditional upon compliance with the terms and conditions of grant agreements and applicable federal regulations, including the expenditure of resources for allowable purposes. Any disallowance by the grantor agency could result in a liability of the county. No provision for any liability that may result has been recognized in the county's financial statements.

Litigation - The county is party to legal proceedings, many of which occur in the normal course of governmental operations. It is not possible at the present time to estimate ultimate outcome or liability, if any, of the county with respect to the various proceedings.

### (13) Effect of Deferred Amounts on Net Position.

The governmental activities' unrestricted net position amount of \$(7,499,202) includes the effect of deferred inflows/outflows on resources related to pensions. A portion of the deferred outflow of resources related to pensions in the amount of \$165,938 resulting from county contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended September 30, 2021. The \$684,439 balance of the deferred outflow of resources related to pensions at September 30, 2020, will be recognized in pension expense over the next 4 years. The \$295,867 balance of the deferred inflow of resources related to pensions at September 30, 2020, will be recognized in pension expense over the next 1 year.

### (14) Related Organizations.

The Grenada County Board of Supervisors is responsible for appointing a voting majority of the board members of GT&Y Utility District, but the county's accountability for this organization does not exceed beyond making the appointments. The county did not appropriate any funds for the maintenance and support of the district in fiscal year 2020.

The Elizabeth Jones Library is a city/county library which provides library services to the citizens of Grenada County and the City of Grenada. Grenada County appoints all five members to the library's Board of Trustees but the county's accountability for this organization does not extend beyond making the appointments. The county appropriated \$100,000 for maintenance and support of the library in fiscal year 2020.

## GRENADA COUNTY

### Notes to Financial Statements For the Year Ended September 30, 2020

#### (15) Jointly Governed Organizations.

The county participates in the following jointly governed organizations:

Mississippi Regional Housing Authority IV operates in a district composed of the Counties of Carroll, Choctaw, Clay, Grenada, Lowndes, Montgomery, Oktibbeha, Webster and Winston. The Grenada County Board of Supervisors appoints one of the nine members of the board of commissioners. The county did not appropriate for maintenance and support of the authority in fiscal year 2020.

Region Six Mental Health/Mental Retardation Center/Life Help operates in a district composed of the Counties of Attala, Carroll, Grenada, Holmes, Humphreys, Leflore, Montgomery and Sunflower. The Grenada County Board of Supervisors appoints one of the eight members of the board of commissioners. The county appropriated \$35,881 for maintenance and support of the center in fiscal year 2020.

The North Central Planning and Development District operates in a district composed of the Counties of Attala, Carroll, Grenada, Holmes, Leflore, Montgomery and Yalobusha. The Grenada County Board of Supervisors appoints four of the twenty-eight members of the district Board of Directors. The county appropriated \$49,500 for maintenance and support of the district in fiscal year 2020.

Holmes Community College operates in a district composed of the Counties of Attala, Carroll, Choctaw, Grenada, Holmes, Madison, Montgomery, Webster and Yazoo. The Grenada County Board of Supervisors appoints two of the 22 members of the college's Board of Trustees. The county levied \$393,056 in taxes for maintenance and support of the college in fiscal year 2020.

#### (16) Tax Abatements.

For the year beginning October 1, 2016, the Governmental Accounting Standards Board (GASB) implemented Statement 77, Tax Abatements Disclosures. This statement requires governmental entities to disclose the reduction in tax revenues resulting from an agreement between one or more governments and an individual or entity in which (a) one or more governments promise to forgo tax revenues to which they are otherwise entitled and (b) the individual or entity promises to take a specific action after the agreement has been entered into that contributes to economic development or otherwise benefits the government or the citizens of those governments.

The Grenada County Board of Supervisors negotiates property tax abatements on an individual basis. All abatements are for 10 years and are for economic development purposes. The County had tax abatement agreements with fifteen entities as of September 30, 2020.

##### Section 27-31-34, Miss. Code (Ann) 1972

Lease contracts, leases or leaseholds

There are three companies that have abatements under this statute.

##### Section 27-31-101 through Section 27-31-117, Miss. Code (Ann) 1972

All allowable property tax levies

Payments in Lieu of Taxes

There are twelve companies that have abatements under these statutes.

(Continued)



# GRENADA COUNTY

## Notes to Financial Statements For the Year Ended September 30, 2020

<u>Category</u>	<u>Amount of Taxes Abated During the Fiscal Year</u>
Additions to furniture, mobile equipment and inventory	\$ 410,307
Leasehold interest construction	\$ 82,925

### (17) Subsequent Events.

GAAP requires the county to evaluate events that occur subsequent to the date of the Statement of Net Position but before the financial statements are issued (subsequent events). Such events that provide additional evidence with respect to conditions that existed as of the Statement of Net Position date are recognized in the accompanying financial statements. However, subsequent events that provide evidence with respect to conditions that did not exist at the Statement of Net Position date but arose subsequently, and are of such a nature that their disclosure is essential to the user's understanding of the financial statements, are required to be disclosed herein. Management of Grenada County evaluated the county's activity and events that occurred through November 20, 2021, and determined the following subsequent events have occurred requiring disclosure to the notes to the financial statements:

<u>Issue Date</u>	<u>Interest Rate</u>	<u>Issue Amount</u>	<u>Type of Financing</u>	<u>Source of Financing</u>
12/30/2020	2.41%	\$ 69,145	Capital lease	Tax levy
12/30/2020	2.41%	\$ 83,792	Capital lease	Tax levy
02/08/2021	2.38%	\$ 77,362	Capital lease	Tax levy
05/17/2021	2.41%	\$ 57,876	Capital lease	Tax levy
07/06/2021	2.375%	\$ 54,567	Capital lease	Tax levy

GRENADA COUNTY

REQUIRED SUPPLEMENTARY INFORMATION

GRENADA COUNTY  
 Budgetary Comparison Schedule -  
 Budget and Actual (Non-GAAP Basis)  
 General Fund  
 For the Year Ended September 30, 2020 - UNAUDITED

	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Property taxes	\$ 5,643,256	5,750,184	5,750,184	
Licenses, commissions and other revenue	216,700	249,385	249,385	
Fines and forfeitures	146,500	129,801	129,801	
Intergovernmental revenues	1,034,800	1,165,310	1,165,310	
Charges for services	370,000	496,126	496,126	
Interest income	71,000	209,984	209,984	
Miscellaneous revenues	230,450	465,393	461,890	(3,503)
Total Revenues	<u>7,712,706</u>	<u>8,466,183</u>	<u>8,462,680</u>	<u>(3,503)</u>
<b>EXPENDITURES</b>				
Current:				
General government	4,970,439	4,056,805	4,031,809	24,996
Public safety	3,543,968	3,686,758	3,686,758	
Public works	8,000	10,765	10,765	
Health and welfare	186,211	151,542	151,542	
Culture and recreation	110,000	110,000	110,000	
Education	24,000	24,000	24,000	
Conservation of natural resources	96,300	95,123	95,123	
Economic development and assistance	306,000	101,500	101,500	
Total Expenditures	<u>9,244,918</u>	<u>8,236,493</u>	<u>8,211,497</u>	<u>24,996</u>
Excess of Revenues Over (Under) Expenditures	<u>(1,532,212)</u>	<u>229,690</u>	<u>251,183</u>	<u>21,493</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Other financing sources		261,100		(261,100)
Other financing uses	<u>(293,000)</u>	<u>(337,078)</u>	<u>(313,460)</u>	<u>23,618</u>
Total Other Financing Sources and Uses	<u>(293,000)</u>	<u>(75,978)</u>	<u>(313,460)</u>	<u>(237,482)</u>
Net Change in Fund Balance	(1,825,212)	153,712	(62,277)	(215,989)
Fund Balances - Beginning	<u>5,315,203</u>	<u>4,737,005</u>	<u>5,012,086</u>	<u>275,081</u>
Fund Balances - Ending	<u>\$ 3,489,991</u>	<u>4,890,717</u>	<u>4,949,809</u>	<u>59,092</u>

The notes to the required supplementary information are an integral part of this schedule.

GRENADA COUNTY  
 Budgetary Comparison Schedule -  
 Budget and Actual (Non-GAAP Basis)  
 Economic Development Fund  
 For the Year Ended September 30, 2020 - UNAUDITED

	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
REVENUES				
Interest income	\$ 50,000	201,701	201,701	
Total Revenues	<u>50,000</u>	<u>201,701</u>	<u>201,701</u>	<u>0</u>
EXPENDITURES				
Current:				
Economic development	<u>3,000,000</u>	<u>530,492</u>	<u>274,000</u>	<u>256,492</u>
Total Expenditures	<u>3,000,000</u>	<u>530,492</u>	<u>274,000</u>	<u>256,492</u>
Excess of Revenues Over (Under) Expenditures	<u>(2,950,000)</u>	<u>(328,791)</u>	<u>(72,299)</u>	<u>256,492</u>
OTHER FINANCING SOURCES (USES)				
Other financing sources	<u>0</u>	<u>344,976</u>	<u>(256,492)</u>	<u>(601,468)</u>
Net Change in Fund Balance	<u>(2,950,000)</u>	<u>16,185</u>	<u>(328,791)</u>	<u>(344,976)</u>
Fund Balances - Beginning	<u>5,676,871</u>	<u>6,673,069</u>	<u>6,673,069</u>	<u>0</u>
Fund Balances - Ending	<u>\$ 2,726,871</u>	<u>6,689,254</u>	<u>6,344,278</u>	<u>(344,976)</u>

The notes to the required supplementary information are an integral part of this schedule.

GRENADA COUNTY  
Schedule of the County's Contributions  
Last 10 Fiscal Years\*  
PERS  
For the Year Ended September 30, 2020 - UNAUDITED

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 674,082	611,580	581,485	628,843	627,675	590,754	587,655
Contributions in relation to the contractually required contribution	<u>674,082</u>	<u>611,580</u>	<u>581,485</u>	<u>628,843</u>	<u>627,675</u>	<u>590,754</u>	<u>587,655</u>
Contribution deficiency (excess)	\$ <u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
County covered payroll	\$ 3,874,034	\$ 3,781,897	3,691,968	3,965,597	3,985,238	3,750,819	3,731,143
Contributions as a percentage of covered payroll	17.40 %	16.19 %	15.75 %	15.75 %	15.75 %	15.75 %	15.75 %

Until July 1, 2019, contributions were 15.75%. Subsequent to July 1, 2019, contributions were 17.40%.

\* This schedule is presented to illustrate the requirement to show information for 10 years. However, GASB Statement No. 68 was implemented for the fiscal year ended September 30, 2015, and until a full 10-year trend is compiled, the county has only presented information for the years in which information is available.

The notes to the required supplementary information are an integral part of this schedule.

GRENADA COUNTY  
Schedule of the County's Proportionate Share of the Net Pension Liability  
Last 10 Fiscal Years\*  
PERS  
For the Year Ended September 30, 2020 - UNAUDITED

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
County's proportion of the net pension liability (asset)	0.058171 %	0.057768 %	0.057252 %	0.064922 %	0.059458 %	0.059342 %	0.060552 %
County's proportionate share of the net pension liability (asset)	\$ 11,261,230	10,162,531	9,522,708	10,792,239	10,620,683	9,173,103	7,349,904
County's covered payroll	\$ 3,873,523	3,785,622	3,691,962	3,965,599	3,803,651	3,707,333	3,700,057
County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	290.7232 %	268.45076 %	257.93085 %	270.30241 %	279.223383 %	247.431321 %	198.642993 %
Plan fiduciary net position as a percentage of the total pension liability	58.97 %	61.59 %	62.54 %	61.49 %	57.467727 %	61.703983 %	67.207687 %

\* The amounts presented for each fiscal year were determined as of the twelve months ended at the measurement date of June 30 of the fiscal year presented. This schedule is presented to illustrate the requirement to show information for 10 years. However, GASB Statement No. 68 was implemented for the fiscal year ended September 30, 2015, and until a full 10-year trend is compiled, the county has only presented information for the years in which information is available.

The notes to the required supplementary information are an integral part of this schedule.

# GRENADA COUNTY

## Notes to the Required Supplementary Information For the Year Ended September 30, 2020 UNAUDITED

(1) Budget.

A. Budgetary Information.

Statutory requirements dictate how and when the County's budget is to be prepared. Generally, in the month of August, prior to the ensuing fiscal year beginning each October 1, the Board of Supervisors of the county, using historical and anticipated fiscal data and proposed budgets submitted by the Sheriff and the Tax Assessor-Collector for his or her respective department, prepares an original budget for each of the Governmental Funds for said fiscal year. The completed budget for the fiscal year includes for each fund every source of revenue, each general item of expenditure, and the unencumbered cash and investment balances. When during the fiscal year it appears to the Board of Supervisors that budgetary estimates will not be met, it may make revisions to the budget.

The county's budget is prepared principally on the cash basis of accounting. All appropriations lapse at year-end, and there are no encumbrances to budget because state law does not require that funds be available when goods or services are ordered, only when payment is made.

B. Basis of Presentation.

The Budgetary Comparison Schedule - Budget and Actual (Non-GAAP Basis) presents the original legally adopted budget, the final legally adopted budget, actual amounts on a budgetary (Non-GAAP Basis) and variances between the final budget and the actual amounts. The schedule is presented for the General Fund and each major Special Revenue Fund. The Budgetary Comparison Schedule – Budget and Actual (Non-GAAP Basis) is a part of required supplementary information.

C. Budget/GAAP Reconciliation.

The major differences between the budgetary basis and the GAAP basis are:

1. Revenues are recorded when received in cash (budgetary) as opposed to when susceptible to accrual (GAAP).
2. Expenditures are recorded when paid in cash (budgetary) as opposed to when susceptible to accrual (GAAP).

The following schedule reconciles the budgetary basis schedules to the GAAP basis financial statements for the General Fund and the major Special Revenue Fund:

	<u>Governmental Fund Types</u>	
	<u>General Fund</u>	<u>Economic Development Fund</u>
Budget (Cash Basis)	\$ (62,277)	(328,791)
Increase (Decrease)		
Net adjustments for revenue accruals	239,242	
Net adjustments for expenditure accruals	<u>(83,987)</u>	<u></u>
GAAP Basis	\$ <u>92,978</u>	<u>(328,791)</u>

GRENADA COUNTY

Notes to the Required Supplementary Information  
For the Year Ended September 30, 2020  
UNAUDITED

- (2) Pension Schedules – Schedule of the County’s Proportionate share of the Net Pension Liability and Schedule of the County’s Contributions.

A. Changes of Assumptions.

2015

The expectation of retirement life mortality was changed to RP-2014 Healthy Annuitant Blue Collar Table projected to 2016 using Scale BB rather than the RP-2000 Mortality Table, which was used prior to 2015.

The expectation of disabled mortality was changed to the RP-2014 Disabled Retiree Table, rather than the RP-2000 Disabled Mortality Table, which was used prior to 2015.

Withdrawal rates, pre-retirement mortality rates, disability rates and service retirement rates were also adjusted to more closely reflect actual experience.

Assumed rates of salary increase were adjusted to more closely reflect actual and anticipated experience.

The price inflation and investment rate of return assumptions were changed from 3.50% to 3.00% and 8.00% to 7.75%, respectively.

2016

The assumed rate of interest credited to employee contributions was changed from 3.50% to 2.00%.

2017

The expectation of retired life mortality was changed to the RP-2014 Healthy Annuitant Blue Collar Mortality Table projected with Scale BB to 2022. Small adjustments were also made to the Mortality Table for disabled lives.

The wage inflation assumption was reduced from 3.75% to 3.25%.

Withdrawal rates, pre-retirement mortality rates, disability rates and service retirement rates were also adjusted to more closely reflect actual and anticipated experience.

The percentage of active member disabilities assumed to be in the line of duty was increased from 6.00% to 7.00%.



## GRENADA COUNTY

### Notes to the Required Supplementary Information For the Year Ended September 30, 2020 UNAUDITED

#### 2019

The expectation of retired life mortality was changed to the PubS.H-2010(B) Retiree Table with the following adjustments:

For males, 112% of male rates from ages 18 to 75 scaled down to 105% for ages 80 to 119.  
For females, 85% of the female rates from ages 18 to 65 scaled up to 102% for ages 75 to 119.  
Projection scale MP-2018 will be used to project future improvements in life expectancy generationally.

The expectation of disabled mortality was changed to PubT.H-2010 Disabled Retiree Table for disabled retirees with the following adjustments:

For males, 137% of male rates at all ages.  
For females, 115% of female rates at all ages.  
Projection scale MP-2018 will be used to project future improvements in life expectancy generationally.

The price inflation assumption was reduced from 3.00% to 2.75%.

The wage inflation assumption was reduced from 3.25% to 3.00%.

Withdrawal rates, pre-retirement mortality rates, and service retirement rates were also adjusted to more closely reflect actual experience.

The percentage of active member disabilities assumed to be in the line of duty was increased from 7.00% to 9.00%.

#### B. Changes in Benefit Provisions.

#### 2016

Effective July 1, 2016, the interest rate on employee contributions shall be calculated based on the money market rate as published by the Wall Street Journal on December 31 of each preceding year with a minimum rate of one percent and a maximum rate of five percent.

#### C. Method and Assumptions Used in Calculations of Actuarially Determined Contributions.

The actuarially determined contribution rates in the schedule of employer contributions are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported (June 30, 2018 valuation for June 30, 2020 fiscal year-end). The following actuarial methods and assumptions were used to determine the most recent contribution rate reported in that schedule:

Actuarial cost method	Entry age
Amortization method	Level percentage of payroll, open
Remaining amortization period	30.9 years
Asset valuation method	5-year smoothed market
Price inflation	3.00 percent
Salary increase	3.25 percent to 18.50 percent, including inflation
Investment rate of return	7.75 percent, net of pension plan investment expense, including inflation

## GRENADA COUNTY

## SUPPLEMENTARY INFORMATION

GRENADA COUNTY  
Reconciliation of Operating Costs of Solid Waste  
For the Year Ended September 30, 2020

Operating Expenditures, Cash Basis

Salaries	\$ 83,948
Expendable commodities:	
Gasoline and petroleum products	10,293
Repair parts	11,992
Professional services	80,613
Insurance	2,456
Solid waste disposal fee	580,416
Supplies (including equipment under the capitalization thresholds)	<u>4,863</u>

Solid Waste Cash Basis Operating Expenditures	774,581
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Full Cost Expenses:

Indirect administrative costs	16,748
Depreciation on equipment	44,309
Net effect of other accrued expenses	<u>(5,204)</u>

Solid Waste Full Cost Operating Expenses	\$ <u><u>830,434</u></u>
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GRENADA COUNTY

OTHER INFORMATION

GRENADA COUNTY  
Schedule of Surety Bonds for County Officials  
For the Year Ended September 30, 2020 - UNAUDITED

Name	Position	Company	Bond
Michael Lott	Supervisor District 1	FCCI Insurance Co.	\$100,000
Timothy C. Bridges	Supervisor District 2	FCCI Insurance Co.	\$100,000
Christopher Columbus Hankins	Supervisor District 3	FCCI Insurance Co.	\$100,000
Darrell Robinson	Supervisor District 4	FCCI Insurance Co.	\$100,000
Chad Gray	Supervisor District 5	FCCI Insurance Co.	\$100,000
Johnny Hayward	Chancery Clerk	FCCI Insurance Co.	\$100,000
Victoria G. Blaylock	Deputy Chancery Clerk	RLI Insurance Co.	\$50,000
Audrey J. Carter	Deputy Chancery Clerk	FCCI Insurance Co.	\$50,000
Rachell Holland	Deputy Chancery Clerk	FCCI Insurance Co.	\$50,000
Sharon Mathis	Deputy Chancery Clerk	RLI Insurance Co.	\$50,000
Jennifer Moore	Deputy Chancery Clerk	RLI Insurance Co.	\$50,000
Vickie J. Conley	Purchase Clerk	Western Surety Co.	\$75,000
Sherrie Jones	Assistant Purchase Clerk	FCCI Insurance Co.	\$50,000
Lutonia Johmion	Receiving Clerk	RLI Insurance Co.	\$75,000
Angela Mullen	Inventory Control Clerk	FCCI Insurance Co.	\$75,000
Alexander Farmer	Constable	RLI Insurance Co.	\$50,000
Stephan Howell	Constable	FCCI Insurance Co.	\$50,000
Michele Redditt	Circuit Clerk	FCCI Insurance Co.	\$100,000
LaPorche Baker	Deputy Circuit Clerk	RLI Insurance Co.	\$50,000
Geneva Edwards Williams	Deputy Circuit Clerk	FCCI Insurance Co.	\$50,000
Leatha Collins	Deputy Circuit Clerk	FCCI Insurance Co.	\$50,000
Jessica T. Westmoreland	Deputy Circuit Clerk	FCCI Insurance Co.	\$50,000
Rolando Fair	Sheriff	FCCI Insurance Co.	\$100,000
Leon Williamson	Justice Court Judge	FCCI Insurance Co.	\$50,000
Jimmy Tallant	Justice Court Judge	FCCI Insurance Co.	\$50,000
Judith H. Eldridge	Justice Court Clerk	FCCI Insurance Co.	\$50,000
Luchia M. Brown	Deputy Justice Court Clerk	FCCI Insurance Co.	\$50,000
Dianne Horton-Tillman	Deputy Justice Court Clerk	FCCI Insurance Co.	\$50,000
Lucille Shipp	Deputy Justice Court Clerk	FCCI Insurance Co.	\$50,000
Charles D. Melton	Tax Assessor-Collector	FCCI Insurance Co.	\$100,000
Stephanie Bell	Deputy Tax Assessor	FCCI Insurance Co.	\$10,000
Tammie Lynn McRee	Deputy Clerk Collector	RLI Insurance Co.	\$50,000
Tanesha Harbin Wilson	Deputy Clerk-Tax Assessor	RLI Insurance Co.	\$50,000
Sherrie Jones	Deputy Tax Assessor	FCCI Insurance Co.	\$10,000
Lisa Roberson	Deputy Tax Collector	FCCI Insurance Co.	\$50,000
Nadayjah Buchanan	Deputy Clerk/Tax Collector	FCCI Insurance Co.	\$50,000
Robyn Perry Hood	Deputy Clerk Collector	FCCI Insurance Co.	\$50,000
Monica Shipp	Deputy Tax Collector	RLI Insurance Co.	\$50,000
Jennifer Williamson	Deputy Tax Collector	RLI Insurance Co.	\$50,000
Karl Grubb	County Engineer	FCCI Insurance Co.	\$50,000
Lewis Bradford	Assistant Receiving District 1	RLI Insurance Co.	\$50,000
David Jeffery Hughes	Assistant Receiving District 4	FCCI Insurance Co.	\$50,000
Johnathan Eric Fowler	Assistant Receiving Drug Court	FCCI Insurance Co.	\$50,000
David Marter	Assistant Receiving District 2	FCCI Insurance Co.	\$50,000
Charles Mansfield	Assistant Receiving District 5	RLI Insurance Co.	\$50,000
Charles Williams	Assistant Receiving District 3	FCCI Insurance Co.	\$50,000
Angela Mullen	Deputy Chancery Clerk	FCCI Insurance Co.	\$50,000
Jennifer Moore	Assistant Receiving Clerk	RLI Insurance Co.	\$50,000

## GRENADA COUNTY

### SPECIAL REPORTS

# Windham and Lacey, PLLC

## *Certified Public Accountants*

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American Institute of CPAs  
Mississippi Society of CPAs

### INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Members of the Board of Supervisors  
Grenada County, Mississippi

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Grenada County, Mississippi, as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the county's basic financial statements and have issued our report thereon dated November 20, 2021. Our report includes an adverse opinion on the discretely presented component unit due to the omission of the discretely presented component unit which is required by accounting principles generally accepted in the United States of America to be reported with the financial data of the county's primary government unless the county also issues financial statements for the financial reporting entity that include the financial data for its component units.

#### **Internal Control Over Financial Reporting**

In planning and performing our audit, we considered Grenada County, Mississippi's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Grenada County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Grenada County's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Grenada County, Mississippi's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the county's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the county's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. However, this report is a matter of public record and its distribution is not limited.



Windham and Lacey, PLLC  
November 20, 2021



# Windham and Lacey, PLLC

## *Certified Public Accountants*

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### INDEPENDENT ACCOUNTANTS' REPORT ON CENTRAL PURCHASING SYSTEM, INVENTORY CONTROL SYSTEM AND PURCHASE CLERK SCHEDULES (REQUIRED BY SECTION 31-7-115, MISS. CODE ANN. (1972))

Members of the Board of Supervisors  
Grenada County, Mississippi

We have examined Grenada County, Mississippi's compliance with establishing and maintaining a central purchasing system and inventory control system in accordance with Sections 31-7-101 through 31-7-127, Miss. Code Ann. (1972), and compliance with the purchasing requirements in accordance with the bid requirements of Section 31-7-13, Miss. Code Ann. (1972), during the year ended September 30, 2020. The Board of Supervisors of Grenada County, Mississippi, is responsible for the county's compliance with those requirements. Our responsibility is to express an opinion on the county's compliance based on our examination.

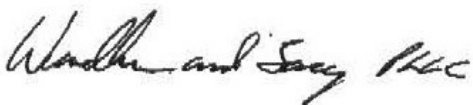
Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the county's compliance with those requirements and performing other procedures as we considered necessary in the circumstances. We believe our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the county's compliance with specified requirements. The Board of Supervisors of Grenada County, Mississippi, has established centralized purchasing for all funds of the county and has established an inventory control system. The objective of the central purchasing system is to provide reasonable, but not absolute, assurance that purchases are executed in accordance with state law.

Because of the inherent limitations in any central purchasing system and inventory control system, errors or irregularities may occur and not be detected. Also, projection of any current evaluation of the system to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the degree of compliance with the procedures may deteriorate.

In our opinion, Grenada County, Mississippi, complied, in all material respects, with state laws governing central purchasing, inventory and bid requirements for the year ended September 30, 2020.

The accompanying schedules of (1) purchases not made from the lowest bidder, (2) emergency purchases and (3) purchases made noncompetitively from a sole source are presented in accordance with Section 31-7-115, Miss. Code Ann. (1972). The information contained on these schedules has been subjected to procedures performed in connection with our aforementioned examination of the purchasing system and, in our opinion, is fairly presented when considered in relation to the examination.

This report is intended for use in evaluating Grenada County, Mississippi's compliance with the aforementioned requirements, and is not intended to be and should not be relied upon for any other purpose. However, this report is a matter of public record and its distribution is not limited.

A handwritten signature in black ink, appearing to read "Windham and Lacey, PLLC". The signature is written in a cursive, flowing style.

Windham and Lacey, PLLC  
November 20, 2021

GRENADA COUNTY  
Schedule of Purchases Not Made from the Lowest Bidder  
For the Year Ended September 30, 2020

Schedule 1

Our test results did not identify any purchases made from other than the lowest bidder:

GRENADA COUNTY  
Schedule of Emergency Purchases  
For the Year Ended September 30, 2020

Schedule 2

Our test results identified the following emergency purchase:

<u>Date</u>	<u>Item Purchased</u>	<u>Amount Paid</u>	<u>Vendor</u>	<u>Reason for Emergency Purchase</u>
02/03/2020	Water heater for jail	\$ 21,500	McDaniels A/C, Plumbing, Electric	Failure of existing heater

GRENADA COUNTY  
Schedule of Purchases Made Noncompetitively from a Sole Source  
For the Year Ended September 30, 2020

Schedule 3

Our test results did not identify any purchases made noncompetitively from a sole source.

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### LIMITED INTERNAL CONTROL AND COMPLIANCE REVIEW MANAGEMENT REPORT

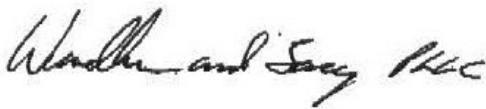
Members of the Board of Supervisors  
Grenada County, Mississippi

In planning and performing our audit of the financial statements of Grenada County, Mississippi for the year ended September 30, 2020, we considered Grenada County, Mississippi's internal control to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide assurance on internal control.

In addition, for areas not considered material to Grenada County, Mississippi's financial reporting, we have performed some additional limited internal control and state legal compliance review procedures as identified in the state legal compliance audit program issued by the Office of the State Auditor. Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the county's compliance with these requirements. Accordingly, we do not express such an opinion. This report does not affect our report dated November 20, 2021, on the financial statements of Grenada County, Mississippi.

Although no findings came to our attention as a result of these review procedures and compliance tests, these procedures and tests cannot and do not provide absolute assurance that all state legal requirements have been complied with. Also, our consideration of internal control would not necessarily disclose all matters within the internal control that might be weaknesses. In accordance with Section 7-7-211, Miss. Code Ann. (1972), the Office of the State Auditor, when deemed necessary, may conduct additional procedures and tests of transactions for this or other fiscal years to ensure compliance with legal requirements.

This report is intended solely for the information and use of management, the Board of Supervisors, and others within the entity, and is not intended to be and should not be used by anyone other than these parties. However, this report is a matter of public record and its distribution is not limited.



Windham and Lacey, PLLC  
November 20, 2021

GRENADA COUNTY

SCHEDULE OF FINDINGS AND RESPONSES

GRENADA COUNTY

Schedule of Findings and Responses  
For the Year Ended September 30, 2020

Section 1: Summary of Auditors' Results

*Financial Statements:*

- |    |  |               |
|----|--|---------------|
| 1. | Type of auditors' report issued on the financial statements:                           |               |
|    | Governmental activities  | Unmodified    |
|    | Aggregate discretely presented component units   | Adverse       |
|    | General Fund   | Unmodified    |
|    | Economic Development Fund  | Unmodified    |
|    | Aggregate remaining fund information   | Unmodified    |
| 2. | Internal control over financial reporting:   |               |
| a. | Material weakness identified?  | No            |
| b. | Significant deficiencies identified that are not considered to be material weaknesses? | None Reported |
| 3. | Noncompliance material to the financial statements?                                    | No            |

Section 2: Financial Statement Findings

The results of our tests did not disclose any findings related to the financial statements that are required to be reported by *Government Auditing Standards*.